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Senate Republicans approve tax credit for new jobs

LANSING — Senate Republicans passed legislation Tuesday that would reduce the tax burden for small businesses that hire new employees, Sen. Jud Gilbert, R-Algonac, announced.

“This legislation will help prevent businesses from feeling discouraged to hire new employees,” Gilbert said. “As our economy turns around, we want to get everyone back to work. This legislation will make it easier for employers to hire new workers and still see a profit.”

The tax credit available through Senate Bill 1093 was designed to offset the Single Business Tax cost of hiring a new employee. In order to qualify for the tax credit, created jobs must meet the following criteria:

- Did not exist in Michigan during the immediate preceding tax year;
- Represents an overall increase in full-time equivalent jobs in Michigan from one year to the next;
- Is not a job into which the employee transfers from an entity with which the taxpayer files a consolidated return; and
- Must include health care coverage or insurance.

SB 1093 is part of the JOBS Action Plan, a broad Republican plan for revitalizing Michigan’s job opportunities. The JOBS Action Plan is designed to create new job opportunities, save existing jobs, and promote a friendlier and healthier business climate in Michigan.

SB 1093 now goes to the governor for approval.

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